



# *The Insider*

[www.senate.michigan.gov/switalski](http://www.senate.michigan.gov/switalski)

## **Inside State Politics with State Senator Mickey Switalski Senate District 10**

**March 20, 2009**

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov) or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a location near you. Call my office and make an appointment or just walk in. See the schedule below for details.

Please note that my March 30<sup>th</sup> coffee hours at Biggby Coffee have been cancelled. I apologize for any inconvenience this may have caused. My next scheduled coffee hours are on April 27<sup>th</sup> from 1:30-2:30 p.m. at the Clinton-Macomb Public Library

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### **Mickey's Blog: Two Thingsism**

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The Michigan Senate took up the issue of property taxes this week when we voted on SJR H.

The majority argued that we should amend the Michigan Constitution to say that property taxes can't go up when market value of a house goes down.

It is a simple argument.

But it is simply wrong.

It sounds good, and people who hear the simplified version like it. But on analysis it is poor policy and very unfair to the majority of taxpayers. Here's why.

Always beware of the law of unintended consequences. Senate Joint Resolution H is exhibit A in the application of this law. This bill cost \$253 million and it is unpaid for. I know my good friend, the Senator from Troy, intends this resolution to provide tax relief to homeowners.

But beware of the law of unintended consequences. This resolution is a Trojan horse. It will result in a tax increase for the majority of homeowners.

What?

How can this be? Consider the situation of Mr. Hector. He bought his house for \$100,000 in 1993, the year of Proposal A. His taxes were capped and he pays on a taxable value of \$125,000 today. Today, Mr. Hector sold his house. He thought it was worth \$200,000, but he got \$150,000. Under current law, the taxes should pop-up to \$150,000. But Senate Joint Resolution H says his tax can't go up because his value went down.

Now, because of the Headlee Amendment, all his neighbors who used to get a reduction equal to Mr. Hector's pop-up now get nothing. That means this is a tax increase for everyone else in the city. More importantly, I want to talk about fairness. What is fair? The Michigan Constitution says it is fair that everybody pays the same. The Constitution says that we should pay 50 percent of the value of our house. Now is it fair that one person pays 50 percent and another pay 30 percent? No, that is two-thingsism.

Under Proposal A, we said we would tolerate a limited amount of two-thingsism. Proposal A capped growth and taxable value below the rate of market value with the understanding that the discounted property would eventually catch up.

Now we are told there is a great injustice upon the land. How can taxable value go up when market value goes down?

That is like saying, "how can rain come down when the temperature goes up?"

The Constitution says fairness is that everybody pays 50 percent. Which is more fair, one homeowner paying 50 percent while the other pays 30 percent or the other homeowner paying 35 percent? Wouldn't 35 percent be more fair, especially to the majority of people who are paying 50 percent? I checked with the equalization directors in Oakland and Macomb Counties, 60 percent of the households have no gap anymore between taxable and market value, and they are paying 50 percent. That number is growing.

Why is it fair to keep the minority with their full discount of 30 percent? Say we live next door to each other and we have exactly the same house. You are paying taxes on \$125,000 and I am paying on \$150,000. Now suppose that if this Senate Joint Resolution H passes, a buyer walks up. He can buy either one of our houses for \$150,000, but if he buys yours, he will save \$25,000 in the tax. I am being cheated. Not only do I have to pay more tax, but now you get to sell your house ahead of me because of your tax discount. That is completely unfair. It is two-thingsism.

Senate Joint Resolution H will put this unfairness into the Constitution. Senate Joint Resolution H is bad policy. Nevertheless, it passed the Michigan Senate and is headed to the Michigan House of Representatives.

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### **Tax Information and Assistance Available**

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With tax time upon us, free tax help is available in Macomb County. The Accounting Aid Society is the largest provider of free income tax preparation services for low- and moderate-income families in southeast Michigan. Last year, Accounting Aid served 12,573 Michigan households and returned \$10.8 million - infusing much-needed new money into our local economy. Eligibility for their free service is based on annual household income: \$42,000 or less for families and \$20,000 or less for individuals.

Since 1976, Accounting Aid has returned more than \$157 million to low- and moderate-income families in Wayne, Oakland, Macomb and Livingston counties. For more information, contact Accounting Aid at

313-647-9620. Accounting Aid has 25 free tax sites, including two in Macomb County, at the following locations:

**Accounting Aid Society at Roseville Senior Center**

18961 Common Road at Gratiot, Roseville 48066

Saturdays, Jan. 31 - April 11, from 9 a.m. to 6 p.m.

*Appointment only, call (586) 445-5423*

**Accounting Aid Society at Samaritan House**

58944 Van Dyke @ 27 Mile, Washington 48094

Thursdays, Jan. 29 - March 26, from 2 p.m. to 6 p.m.

Saturdays, Jan. 31 - March 28, from 10 a.m. to 2 p.m.

*Appointment only, call (586) 677-7590*

## **ADDITIONAL TAX INFORMATION**

### **Earned Income Tax Credit (EITC)**

Many workers-both employed and self-employed-and their families are eligible for the Earned Income Tax Credit (EITC). This year, there is both a federal EITC and a state EITC. Be sure you claim both, if eligible. Your state credit is equal to 10 percent of your federal credit for tax year 2008. It will increase to 20 percent next year, when you file your 2009 taxes.

The federal EITC refund can be as much as \$5,300, and the state EITC refund can be nearly \$500 depending on income, marital status, and number of children.

### **American Recovery and Reinvestment Act of 2009**

This act contains a number of tax benefits. Among the most important:

- One-Time Social Security Payment  
This is a one-time payment of \$250 to Social Security recipients, and is not tied to your tax return. If you receive Social Security, SSI, or receive benefits from the U.S. Department of Veterans Affairs or Railroad Retirement Board, you are eligible. No action is required on your part. *You do not have to file a tax return.* It will be delivered to you in the same way you currently receive your Social Security or SSI benefit. It is expected that everyone who is entitled to a payment will receive it by early June 2009. This one-time payment will be a separate payment and will not be included in your regular monthly benefit payment.
- First-Time Home Buyer Tax Credit  
Qualifying taxpayers who are first-time home buyers and buy a home before December 1, can claim up to \$8,000 on either their 2008 or 2009 tax returns. Unlike the tax credit enacted in 2008, buyers do not have to pay back the credit if they stay in their home for at least 36 months.

### **Michigan's Homestead Property Tax Credit**

Homeowners as well as renters can claim this property tax credit, which can help pay some of your property taxes if you are a qualified Michigan homeowner or renter. Homeowners need a complete copy of their summer and winter property tax bills. Renters need to bring lease, rent receipts and landlord's name and address.

### **Michigan Home Heating Credit**

This credit is designed to assist low income families living in Michigan with the cost of heating their homes. Contact your heat provider and ask for heating costs for the period 11/01/07 to 10/31/08.

### **Homebound Tax Program**

For those aged 65 and older and those physically unable to visit a tax site, free tax help is available through a mail-in correspondence service from Accounting Aid Society.

### **Dependent Child Care Credit**

The federal Dependent Child Care Credit assists families with the cost of care for children or other dependent relatives, and can be claimed for a child under the age of 13 or for a disabled adult. The credit lets families claim a portion of their care expenses, and is only available to families earning enough money to pay taxes. The federal Child Tax Credit (CTC) is for families raising children under age 17. The child can be the tax filer's own child, a relative the filer cares for as his/her own, or a foster child placed by an agency who has lived with the filer for more than six months.

Many of these credits require extra forms. State and federal tax forms are free and can be found at the post office and your local library. You can also call 1-800-TAX-FORM to receive federal forms. Tax forms can also be downloaded from the state website: <http://www.michigan.gov/taxes> and federal website: <http://www.irs.gov>.

### **INTERNAL REVENUE SERVICE ANNOUNCES TAX CREDITS**

Buying energy efficient home improvements is not only good for the environment, but also for your wallet. This year, a tax credit will be available for those who purchase energy improvements for their homes. Also, if you installed a small windmill to generate energy for your home, you may qualify for a credit for up to \$4,000 of the cost. Wind-produced energy was added for 2008 to the alternative energy sources under the Residential Energy Efficient Property Credit.

It's not just energy efficiency in your home that can save you money on taxes. Also for 2009, Congress has added a tax credit for plug-in electric cars, up to \$7,500. Visit <http://www.irs.gov> to view a list of 2008 and 2009 model year hybrid vehicles eligible for a tax credit, and the amount of the available credit.

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## **Mickey's Ends and Notes**

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### **MICHIGAN COUNTIES, COMMUNITIES ELIGIBLE FOR CRIME-FIGHTING FUNDS FROM FEDERAL RECOVERY ACT**

Governor Jennifer M. Granholm recently announced that the state of Michigan, as well as counties and communities throughout the state, are eligible to apply for more than \$67 million in federal recovery act funds to enhance law enforcement efforts to fight drug-related and violent crime.

These economic recovery funds will flow to the state through the Edward Byrne Memorial Justice Assistance Grant (Byrne JAG). Sixty percent of these federal dollars, or more than \$41 million, will be administered by the Department of Community Health Office of Drug Control Policy and awarded to state and local criminal justice agencies by a competitive grant process. Details on how to apply for these competitive grant dollars will be posted on the state of Michigan recovery website at <http://www.michigan.gov/recovery> as well as the website of the Office of Drug Control Policy at <http://www.michigan.gov/odcplawenforcement> as soon as the funds are available. The remaining 40 percent of the total federal allocation – approximately \$25.8 million - will be awarded directly to units of local government to help prevent, fight, and prosecute drug-related and violent crime.

### **MICHIGAN LEGISLATURE APPROVED MORE BATTERY TAX BREAKS**

Recently, the Michigan Legislature has voted to authorize another \$200 million in tax breaks to encourage the development of batteries at the heart of next-generation electric vehicles. Governor

Jennifer Granholm signed a law in January offering \$335 million in refundable tax credits for developing, manufacturing and assembling advanced batteries in Michigan.

The bills, House Bill 4515 and Senate Bill 319, would let the Michigan Economic Growth Authority sign two more tax credit deals for the construction of integrative cell manufacturing facilities.

### **SENATE DEMOCRATS LAUNCH FACEBOOK, TWITTER PAGES**

Recently, the Michigan Senate Democrats launched the state's first ever legislative caucus Facebook and Twitter pages. These new interactive tools will feature up-to-date information on legislation and issues of interest, offer an insider perspective of the Capitol, and focus on the Senate Democrats' priorities for Michigan. Through these new forms of media the Senate Democrats will be able to interact directly with the people of Michigan and receive feedback on what issues are most important to them.

The Senate Democrats' Facebook page can be found at <http://www.facebook.com/pages/Lansing-MI/Michigan-Senate-Democrats/57144052517?ref=mf> and the Twitter page can be found at <http://twitter.com/MISenDems>. I have also taken a stab at Facebook and you can check out my page at: <http://www.facebook.com/home.php?#/profile.php?id=1273804774&ref=ts>.

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## **2010 Census Information**

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Several of my constituents have contacted me with concerns over the validity of forms that they received in the mail. The following information was provided to me by the United States Census Bureau and may help clarify some of your concerns.

### **THE 2010 CENSUS - MAKE YOUR VOICE COUNT**

The Census Bureau is now conducting a complete accounting of all residents of the United States. This information is used to help key decision-makers understand what your community needs. You may have already received your census form – if not you will soon. Fill out the form and return it to make sure your voice counts.

#### **Why Should You Answer the Census?**

Businesses and corporations rely on census data to compare industries and locations, develop business plans, and locate and attract investments.

#### **Why Should You Answer the Census?**

\$300 billion dollars in federal funds is distributed every year across the country for roads, healthcare, programs for seniors and more – all based on census numbers. By taking just a few minutes to mail back your questionnaire, YOU can ensure that your community gets heard.

*Because we've had a census every 10 years since 1790, we know how far America has come.*

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### **WHAT'S ON THE CENSUS FORM?**

The 2010 Census will have one of the shortest census questionnaires in the history of the United States. It asks only a few simple questions about each of the persons living in your household including name,

age/date of birth, relationship, sex, race, Hispanic origin, and whether you sometimes live or stay somewhere else; and just 4 questions about the household in general.

The census form will take only about 10 minutes to complete.

### **ANSWERING THE CENSUS IS SAFE**

By law, the Census Bureau cannot share your individual records with any other government agency, including welfare agencies, the Immigration and Naturalization Service, the Internal Revenue Service, courts, police, and the military. Census workers must be sworn to secrecy before they see the numbers. If someone gave out any information they saw on a form, he/she could face up to a \$250,000 fine and/or a five-year prison term.

### **Why Conduct the 2010 Census?**

The U.S. Constitution (Article I, Section 2) requires that a census be done every 10 years to apportion the seats in the U.S. House of Representatives among the states. Therefore, it is crucial that the 2010 Census count people once, only once, and in the right place.

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### **Who is counted ON CENSUS DAY, APRIL 1, 2010?**

Every 10 years, the Census Bureau conducts a complete accounting of every resident in the United States, no matter where they live or what language they speak. The 2010 Census won't miss people on the road: Census takers will interview people staying at campgrounds, fairs, and marinas as well as people staying at emergency and transitional shelters, soup kitchens, and targeted outdoor locations.

People living on military installations and on military ships will also be included in the 2010 Census as well as military personnel and federal civilian government employees stationed overseas.

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### **Different Ways to Use The 2010 Census**

- Reapportionment of seats in the U.S. House of Representatives
  - Drawing school district boundaries
  - Designing facilities for people with disabilities, the elderly, or children
  - Understanding labor supply, urban planning, and designing public safety strategies
  - Planning health and educational services for people with disabilities
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### **When will the 2010 Census be conducted?**

**March, 2010:** Delivery of the Census Questionnaires to every address in the United States by the United States Postal Service.

**APRIL 1, 2010 CENSUS DAY** – This is the day the Census Bureau sets as reference date for collecting your information.

**Mid-March through Late April:** The American Public returns their completed 2010 Census Questionnaire via the US Mail.

**Late April-Early July 2010:** NON-RESPONSE FOLLOW UP. Canvassers will visit all households who did not return their Questionnaire by mail. Canvassers will collect the information in person.

**December 31, 2010:** Apportionment counts delivered to President.

**April 1, 2011:** All states receive redistricting counts.



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## Coffee Hours

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\*In response to requests from constituents, I have added coffee hours in Roseville and during the daytime. Here are my next scheduled coffee hours. Please feel to stop on by or make an appointment by calling my office.

<b>April 27</b> <b>1:30-2:30 p.m.</b>  Location: Clinton-Macomb Public Library (40900 Romeo Plank) Clinton Township	<b>Stay tuned for future scheduled coffee hours.</b>
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## Mickey's TV Insider Show

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Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

### **Sterling Heights**

Every Saturday and Sunday at 1 p.m.  
(Comcast Channel 5/WOW Channel 10)

### **Utica**

Every Wednesday at 9 a.m.  
(Comcast Channel 5/WOW Channel 10)

### **Clinton Township**

Last week of every month- Sat thru Thurs  
(Comcast Channel 5/WOW Channel 10)

### **Roseville**

Various Times-check local listings  
(Comcast Channel 18/WOW Channel 10)

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## Contact My Office

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**Website:** <http://www.senate.michigan.gov/switalski>

**Email:** [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov)

### **Lansing Office**

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### **District Office**

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(586) 294-0925 phone  
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